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RNR 587

GOVERNMENT

BY NICHOLAS PARSONS

ROME, OCT. 24, REUTER -- PREMIER DESIGNATE AMINTORE FANFANI TODAY MAKES WHAT IS EXPECTED TO BE HIS FINAL ATTEMPT TO RESOLVE ITALY'S THREE-WEEK-OLD GOVERNMENT CRISIS WITH HIS CHANCES OF SUCCESS GENERALLY REGARDED AS SLIM.

IF HIS MEETING TODAY WITH SOCIALIST LEADERS RESULTS IN NO PROGRESS ON THE CONTENTIOUS ISSUE OF THE FUTURE GOVERNMENT'S RELATIONS WITH THE TRADE UNIONS, MR FANFANI IS LIKELY TO TELL PRESIDENT GIOVANNI LEONE HE IS UNABLE TO FORM A NEW GOVERNMENT.

THE CHRISTIAN DEMOCRATIC LEADER IS CONSIDERED TO BE THE ONLY MAN WHO CAN BRING PARTIES TOGETHER TO FORM A TRADITIONAL CENTER-LEFT COALITION GOVERNMENT AND OBSERVERS BELIEVE PRESIDENT LEONE WOULD THEN HAVE LITTLE ALTERNATIVE TO DISSOLVING PARLIAMENT AND CALLING EARLY ELECTIONS.

ACCORDING TO INFORMED SOURCES, MR FANFANI WAS READY TO THROW IN THE TOWEL LAST NIGHT AFTER FAILING TO REACH AGREEMENT WITH THE SOCIALISTS ON GOVERNMENT-UNION RELATIONS. BUT, AFTER URGING FROM HIS OWN PARTY AND THE REPUBLICAN PARTY -- ANOTHER PROSPECTIVE COALITION PARTNER -- HE AGREED TO HAVE ONE MORE TRY.

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THE SOCIALISTS WANT AN AGREEMENT WITH THE TRADE UNIONS, SAYING THAT NO SOLUTION TO THE COUNTRY'S ECONOMIC CRISIS IS POSSIBLE WITHOUT THIS. MR FANFANI HAS ACCUSED THE SOCIALISTS OF WANTING TO GIVE ORGANIZED LABOR VETO POWER OVER GOVERNMENT DECISIONS.

DISAGREEMENT BETWEEN THE SOCIALISTS AND THE CHRISTIAN DEMOCRATS ON ECONOMIC POLICY AND BETWEEN SOCIAL DEMOCRATS AND SOCIALISTS ON THE ROLE OF THE POWERFUL COMMUNIST PARTY BROUGHT THE DOWNFALL OF THE LAST GOVERNMENT ON OCTOBER 3.

PREMATURE ELECTIONS ARE OPPOSED BY MOST PARTIES, INCLUDING THE COMMUNISTS, WHO STAND TO GAIN MOST, ALTHOUGH THE OVERALL PARLIAMENTARY BALANCE WOULD PROBABLY NOT CHANGE MUCH.

FOR TECHNICAL REASONS ELECTIONS COULD NOT BE HELD UNTIL THE NEW YEAR AND THE COUNTRY WOULD PROBABLY HAVE TO BE RULED BY A MINORITY CHRISTIAN DEMOCRAT ADMINISTRATION UNTIL THEN.

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